

# **DEMOGRAPHIC, ECONOMIC, AND DEVELOPMENT TRENDS**

*Suffolk County, New York*

**April 2005**

**Suffolk County Department of Planning**

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Suffolk County Department of Planning  
Hauppauge, New York  
April 2005

## **Demographic, Economic, and Development Trends**

### **Suffolk County, New York**

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The first European settlers arrived in Suffolk County in 1640 and the County was incorporated in 1683 as one of the ten original counties in New York State. Suffolk is a suburban county located on Long Island east of New York City and is bordered on the west by Nassau County. Suffolk County's land area totals 911 square miles, and the County is 86 miles long and 15 miles wide. With shores on both the Atlantic Ocean and the Long Island Sound, Suffolk County's shoreline totals 986 miles.

#### **QUALITY OF LIFE**

In 2004, Nassau-Suffolk was rated the third least stressful metropolitan area in the country (of the 100 largest areas), based on nine factors including the divorce and suicide rates, violent and property crime, and unemployment rate. However, in 2004 Nassau-Suffolk ranked 151 of 162 metropolitan areas in housing affordability.

Also in 2004, *Forbes* magazine ranked 150 metropolitan areas according to various quality of life issues. In its 'Best Places for Business' report, the magazine ranked Long Island seventh highest in cost of living, but best in crime rate, 8<sup>th</sup> best in culture & leisure, and 39<sup>th</sup> best overall.

#### **POPULATION**

##### **Total Population**

Suffolk County's population continues to grow. The Long Island Power Authority (LIPA) estimated that Suffolk County had a population of 1,467,000 persons in 2004, a 3.4% increase over the 2000 census figure of 1,419,369. The increase between 1990 and 2000 was 97,505 or 7.4%. Between the U. S. censuses of 1980 and 1990, Suffolk's population had increased more slowly, by 36,000 or 2.9%. Based on 2003 data, among 3,141 counties in the United States, Suffolk County ranks 23<sup>rd</sup> highest in population. The County also has a

##### **Population Projections**

larger population than 12 U. S. states.

In 1790, the first U. S. Census showed that Suffolk County had more people than Brooklyn, Queens, the Bronx and Staten Island combined. By 1915, Nassau County surpassed Suffolk County in population. But in 1986 Suffolk passed Nassau in population, becoming the most populated suburban county in the United States.

Suffolk County epitomizes the post-World War II suburb, as most of its population growth occurred in just 20 years from 1950 to 1970. During that time, Suffolk's population quadrupled, increasing by 851,000. Today its population growth is much slower. Yet despite overall stability in the total population figures, changes have been taking place in certain segments of the population.

##### **Population Density**

Based on 2004 Long Island Power Authority (LIPA) population estimates, Suffolk County's population density was 1,611 persons per square mile. Yet Suffolk's ten towns vary greatly in population size and density. The five western towns, Huntington, Babylon, Smithtown, Islip, and Brookhaven, contain 91% of the County's population but just 62% of its land area. The 2004 population density in western Suffolk was 2,362 persons per square mile, while in eastern Suffolk the density was just 387 persons per square mile. Of the ten towns that comprise the County, the largest in population is Brookhaven at 472,000 and the smallest is Shelter Island with 2,400 residents in 2004.

Although Suffolk has more people than Nassau County, Suffolk is only about one-third as densely populated as Nassau. Population density in Suffolk County (1,611 persons per square mile) is lower than the density in Nassau County (4,691 persons per square mile), Westchester County (2,166), Rockland County (1,675), Queens County (20,485), and Manhattan (67,372).

Suffolk County's population is projected to continue to increase moderately for the next two

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decades. Between 2004 and 2030, the County's population is projected to increase by 19%. Of Suffolk's ten towns, the Town of Riverhead is expected to increase by the largest percentage between 2004 and 2030, followed in order by the Towns of Southampton, Southold, East Hampton, Shelter Island and Brookhaven. The largest numerical increase is expected in the Town of Brookhaven (113,000).

Saturation population is the population which can be expected if all available land were to be developed according to existing zoning. It is estimated that Suffolk County's saturation population is 1.75 million persons, and may be approached starting around the year 2030. The saturation population figure represents a 19% increase over the 2004 population figure for the County.

The County's projected saturation population has declined significantly in recent decades. In 1962, the saturation population was projected to be 3.4 million people in Suffolk County. Due to zoning changes, land preservation efforts and lower average household sizes, a much lower saturation population is now expected.

### **AGE OF THE POPULATION**

The median age of the County's population in 2000 was 36.3 years, compared to the State's median of 35.9 and the national median of 35.3. In recent decades, the median age of the population in Suffolk has been increasing. The median age of Suffolk residents was just 33.5 in 1990, 29.9 in 1980 and 26.4 in 1970.

### **School-age Population**

Because of changing numbers of births, the pre-school (age 0-4) population in Suffolk County grew by more than 7,000 or by 8% during the 1990s, but then declined by 4,400 between 2000 and 2003. Between the censuses of 1980 and 1990 this pre-school population increased by 6% after declining by 22% in the 1970s.

Suffolk County's public school enrollment declined more than one-third from a peak of 331,000 in 1976 to 214,000 in 1990. These declines led to the closing of over 70 schools in Suffolk County. Public school enrollment in Suffolk County has increased

every year since 1991 and continues to grow, although enrollment is still far below the levels of the 1970s. The high levels of births in Suffolk County since the late 1980s has led to crowding in some public schools. Many school districts have reconfigured the grades contained in their schools or opened new schools to accommodate increasing enrollments. Public school enrollment increased to 260,000 in 2003 but was still 20% lower than in the peak years of the 1970s. Enrollment is projected to increase more slowly in the coming years, by about 1% annually through 2007.

The teenage population in Suffolk County declined considerably from 1980 to 1990 by 28%. It is this change that contributed to the sharp decline in the number of high school graduates during the 1980s. The number of teenagers declined again by 4% between 1990 and 2000, but the number of teenagers has started to increase, which will cause the number of high school graduates to increase for at least the next several years.

### **Young Adult Population**

The population aged 20-34 is an important group to analyze because this population represents our young workers. The population in this age group in Suffolk County was 271,000 in 2003, an increase of 1.7% over the 2000 figure. However, the 2000 figure was 19% lower than the 1990 figure. Yet many of these age group population shifts are influenced by social factors at the time when these people were born. In this case, many of the people in the age 20-34 group in 1990 were baby boomers who aged out of this group by 2000, replaced in 2000 by baby "busters" who are smaller in number.

### **Senior Citizen Population**

Persons aged 65 and over are a fast-growing segment of Suffolk County's population. In 2003, there were 176,000 persons aged 65 and over in Suffolk, comprising 12.0% of the population. In 1990, seniors aged 65 and over represented 10.7% of the population, up from 9.0% in 1980 and 7.6% in 1970. The total number of seniors rose by 18% between 1990 and 2000 after an increase of 22% in the 1980s and 35% in the 1970s. Between 2000 and 2003, the number aged 65 and over increased by another 5%.

The 2000 census revealed that 35,000 or

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22% of the County's senior citizens live alone, and that 25% of Suffolk County households contain a senior citizen. These figures are even more striking in the five eastern Suffolk towns: 18% of the population is aged 65 or over and 33% of all households contain a senior citizen.

Senior citizens migrate to Suffolk County from other nearby counties for a variety of reasons. Sometimes a senior citizen's children or grandchildren already live in Suffolk, and housing in Suffolk is less expensive than in Nassau. Suffolk contains more units of market rate senior citizen housing than Nassau County. Suffolk's senior condominiums draw residents from Suffolk and Nassau Counties and beyond. About one-third of residents in newly constructed senior citizen condominiums in Suffolk are previous Nassau County residents, and about 10% come from New York City.

### **HOUSEHOLD SIZE**

The average household size in Suffolk has decreased significantly in recent decades. Average household size in Suffolk peaked at 3.7 in 1967. Household sizes began to decline in the 1970s and averaged 3.04 by 1990. In 2000 the average Suffolk County household size was 2.96 people, and remained at 2.96 in 2004. No further significant declines in household size are expected.

New housing developments tend to contain younger families and larger household sizes. As an area's residents and housing mature, household sizes tend to decline, causing the total population to decline. This is especially true as development approaches saturation conditions and little new housing is built. Nassau County had a net loss of over 100,000 people between 1970 and 1980 mostly due to a declining average household size. Suffolk County similarly had a major decline in household size over that time period but total population did not decline because of the addition of 90,000 new households.

### **RACE AND ETHNICITY**

Suffolk County's population is mostly White and in 2003, non-Hispanic Whites made up 76% of the population. Hispanics are now the largest minority group in Suffolk and numbered 183,000 or 12% of the population in 2003. Blacks numbered 119,000 or

8% of the total and there were 45,000 Asians comprising 3% of the population. The American Indian population in Suffolk County was 4,900 in 2003, less than 1% of the population.

Suffolk County continues to become more racially diverse. Between 1990 and 2000, the non-Hispanic White population declined by 1% while the Black population rose 19%, the Hispanic population increased by 70%, and the Asian population grew by 52%. Between 2000 and 2003, the Hispanic group increased by the largest raw number, but the fastest growing group in percentage terms was Asian, whose population increased by 25% between 2000 and 2003 in Suffolk County. By the year 2020 Long Island is projected to be 59% White, 17% Hispanic, 15% Asian, and 9% Black.

Three ancestry groups dominate Long Island's population. Suffolk County has more persons of Italian ancestry than any county in the United States. Italians make up 29% of the County's population, Irish persons comprise 23% and Germans make up 17% of the population. There are more people of Irish and German descent on Long Island than in all of New York City.

Of Suffolk County's Hispanic population, one-third were Puerto Rican, based on 2000 census data. The next largest Hispanic groups were (in order) Salvadoran, Dominican, Colombian, Mexican, and Ecuadorian. Half of Suffolk County residents who spoke Spanish also speak English very well, based on 2000 census data.

### **INCOME**

#### **Personal and Per Capita Income**

Total personal income of Suffolk residents was \$54.8 billion in 2002, ranking 5<sup>th</sup> of all counties in New York State. The County's 2002 per capita personal income was \$37,650, ranking 6<sup>th</sup> in New York State. Suffolk's per capita income was 22% higher than the national average of \$30,906. Of 3,111 counties in the United States, Suffolk's per capita income ranked 93<sup>rd</sup> highest in 2002.

#### **Household Income**

According to the 2000 U. S. census, Suffolk County's median household income was \$65,288 in

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1999. In 2004 dollars, the County's median household income is estimated to be \$75,500. Suffolk County's median household income ranked 34<sup>th</sup> of all counties in the U. S. *Sales and Marketing Management* has consistently ranked Long Island (Nassau-Suffolk) as having the highest income of the largest 20 metropolitan areas in the country. According to the *Sales and Marketing Management* 2001 "Survey of Buying Power," the median household effective buying income in the Nassau-Suffolk area was \$60,941, 56% above the national average of \$39,129.

### **Poverty**

Suffolk County's poverty rate is among the lowest in New York State, yet in 1999, 86,000 persons or 6.0% of the population were living in poverty, according to the U. S. Census Bureau. This figure is based on a national poverty threshold which was \$17,463 for a family of four in 2000. In a relatively high cost area such as Suffolk County, poverty can be easily understated because the thresholds are based on a national standard. Nonetheless, in 1999, 24,000 or 6.7% of persons under age 18 in Suffolk County lived in poverty as defined by the Census Bureau.

### **HOUSING**

Long Island has a very high percentage of owner-occupied housing units. In 2000, 80% of Long Island's occupied housing units were occupied by their owners, far above the nationwide figure of 66% and second highest of the 75 largest metropolitan areas. Long Island also has one of the lowest housing vacancy rates in the country. The homeowner vacancy rate in Nassau-Suffolk was 0.8% in 2004, indicating a tight market, but the vacancy rate in rented housing units increased to 7.5%, indicating some softening in the rental market.

The Suffolk County housing market remains strong and high-priced. Suffolk County housing prices, after tripling during the 1980s, declined by about 12% between 1989 and 1995 because of a weak economy and the excessive housing price rises in the 1980s. During the 1990s, housing in Suffolk became more affordable than it was in the 1980s. Housing prices began to increase more rapidly in 1999, rising by 9% in 1999, by 13% in 2000, 16% in 2001, 24% in 2002 and 17% in 2003. Price increases are

continuing. In December 2004, the median used-home price in western Suffolk was \$362,000, up 11% over the 2003 figure and 90% above the year 2000 figure. Overall, the median used-home price in Nassau-Suffolk was \$374,400 in the 4<sup>th</sup> quarter of 2004, a 15% increase in one year. In 2002, *Worth* magazine ranked "America's 250 Richest Towns" based on home selling prices in 2000 and 2001, and 34 Long Island communities were on the list, mostly located on the north shore of Nassau and western Suffolk and in the Hamptons.

Housing rents have increased dramatically as well. A Suffolk County Planning Department analysis of apartments for rent in *Newsday* showed that in early 2005 in Suffolk County, the average rent for a one-bedroom apartment was \$1,074, a slight increase of 6% over the 2002 figure but 38% higher than the 1999 figure. An average two bedroom apartment rented for \$1,420 in 2005, up 29% since 1999. In a ranking of median gross rent according to the 2000 U. S. census, Suffolk County ranked 11<sup>th</sup> highest among all counties in the nation.

After relatively little rental apartment construction in the 1980s, construction of apartment complexes for seniors and non-seniors has increased substantially in recent years. In the 1980s, nearly 1,700 units of market rate senior apartments were constructed in Suffolk County, and 2,800 units were constructed in the 1990s. Already since 2000, more than 2,800 senior citizen apartment units have been built. Non-senior apartment construction has increased just as dramatically. In the 1980s in Suffolk, 885 market rate apartment units were built, followed by 2,500 units in the 1990s, and 2,600 units already since 2000. Many of these new complexes charge rents in excess of \$1,500 for a one-bedroom apartment.

Housing sales and construction continue at a brisk pace. In 2004, 12,642 homes were sold through the Multiple Listing Service, a record high number, 8% more than in 2003 and 46% higher than the number of homes sold in 1994. The value of new residential construction in Suffolk hit an all-time high of \$948 million in 2004, a 26% increase over the 2003 level, 59% higher than the 2000 figure and more than double the level in each of the years 1989 through 1995.

Building permits issued for housing in Suffolk County declined significantly in the early

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1990s but then rebounded in the mid-1990s. In 2004, 3,447 new housing units were authorized by building permit in Suffolk County, a 7% increase over 2003 but still among the lowest new housing units authorized in any of the past 10 years. Several building moratoriums in central and eastern Suffolk have affected new construction in recent years. Each year for decades Brookhaven Town has led the ten towns in the highest number of new housing unit permits issued. In 2003, this still held true but the number of new housing units authorized in Brookhaven was less than 1,000 for the first time since the recession year of 1982. The number of residential building permits issued in 2004 was 17% higher than the low point level in 1993 but less than half the number issued in the peak building years of the 1980s. The amount of vacant land available for future development is becoming more limited.

### **ECONOMY**

Long Island has a large and diverse economy. Its gross metropolitan product, the total output of goods and services produced, was estimated to be \$122 billion in 2003. This figure was 16<sup>th</sup> largest of all metropolitan areas in the U. S., and larger than countries such as Malaysia, Venezuela, and Israel.

### **Employment**

Suffolk County continues to experience solid employment conditions. As of February 2005, 725,500 Suffolk residents were employed, up 1.5% from a year earlier. Employment on Long Island was 1,211,900 in February 2005, an increase of 14,200 or 1.2% from the previous year. The “professional and business services” category experienced the largest over-the-year increase (3,900 or 2.7%), followed by “health care and social assistance” (an increase of 3,700 or 2.3%) and “leisure and hospitality” (3,500 or 4.1%). The largest declines in jobs occurred in federal government employment (-600 or -3.0%) and non-durable goods wholesalers (-500 or -2.0%).

During the period from 1980 to 1988, employment on Long Island grew by 239,000 or 24%. But the combination of a recession and defense cutbacks caused the loss of 88,500 jobs (nearly 8% of the job total) on Long Island in the period from 1989 to 1992. Between 1993 and 2000, Long Island gained 168,900 jobs. In 2001, employment growth slowed

considerably, and 6,600 jobs were lost in 2002. Modest job growth took place in 2003 when 7,200 jobs were added and in 2004 when 10,800 jobs were added.

After significant manufacturing job losses between 1986 and 1994, employment in Nassau-Suffolk’s manufacturing sector stabilized in the late 1990s. Manufacturing jobs on Long Island declined moderately between 2000 and 2003 but have been stable since 2003. Employment in durable goods manufacturing declined from 96,600 in 1990 to 64,900 in 1995 and was 53,200 in February 2005. Employment in the manufacture of chemicals is one relatively bright spot in manufacturing, increasing by 24% in the past ten years, from 8,400 jobs in 1995 to 10,400 jobs in February 2005.

Transportation equipment manufacturing jobs, almost exclusively defense related, declined from 17,900 in 1990 to 6,900 in 1998, and was 5,300 in February 2005. Yet since 2003, employment in defense-related industries has increased on Long Island due to higher military spending. It is expected that defense companies on Long Island will need another 3,000 employees over the next three years. Defense contract awards to Suffolk firms in 2003 totaled \$609 million, up 53% over the 2001 figure but still lower than the 1990 figure.

The employment base on Long Island has become more diversified in the past ten years. A study of 2002 data indicated that Suffolk County’s economy was the second most diversified of the 62 counties in New York State. The loss of defense jobs in the 1980s and 1990s hurt the Long Island economy but allowed the economy to become less dependent on one industry. Long Island can now depend on several growth sectors, including health, educational and social services, tourism, the arts, and several emerging technologies, notably bioscience technology. Long Island’s bioscience research community is expected to continue to expand, and the major players are Cold Spring Harbor Laboratory, SUNY Stony Brook, Brookhaven National Lab, and the North Shore Health System.

### **Unemployment and Inflation**

Suffolk County continues to experience low unemployment. The unemployment rate in Suffolk County has been consistently lower than the national rate and remains relatively low. In February of 2005

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there were 36,900 unemployed Suffolk residents, 4,600 fewer than the number unemployed in February 2004 but 36% more than in the strong economy of February 2000. Suffolk's 4.8% unemployment rate is better than the 5.5% rate of the previous February and is still considered close to a "full employment" rate (defined as below 4%) and remains lower than the rate in New York State (5.6%) and the United States (5.4%) but higher than in Nassau County (4.4%).

Inflation remains moderate in the region, but it has increased slightly. The consumer price index for the New York metropolitan area increased by less than 3.2% in each of years 1993 through 2003. Inflation for 2004 was 3.5%, and inflation has been running at 4.0% thus far in 2005.

### **Major Employers**

In 2005, 35 private employers each had more than 2,000 workers on Long Island. These employers cover a wide range of industries, including health care, telecommunications, banking, educational institutions, and department stores. The North Shore Health System, a network of 14 hospitals and other health care centers, is Nassau-Suffolk's largest employer, has nearly 32,000 employees in 2005. The Diocese of Rockville Centre employs 17,000 in Nassau-Suffolk. Waldbaums supermarkets, North Fork Bank, the Long Island Railroad, and Cablevision Systems (telecommunications) each employ more than 6,000 on Long Island. The next largest employers are the Winthrop Health System (hospitals), Home Depot, Pathmark supermarkets, King Kullen supermarkets, KeySpan (electric and gas utility), Long Island University, and Stony Brook University Hospital, each of which employ between 4,000 and 6,000 in Nassau-Suffolk. Other companies employing at least 2,000 in Nassau-Suffolk include United Parcel Service, Brookhaven National Laboratory, *Newsday*, Estee Lauder (manufacturer of cosmetics) and Computer Associates, one of the largest software development companies in the U. S. and headquartered in Islandia in Suffolk County.

Large government employers in Nassau-Suffolk include 127 school districts which together employ 96,000 people, state government which employs 25,000, and federal government which employs 18,000 (including 9,000 postal workers). Suffolk County government employs 11,000 people.

Grumman Corporation, a defense contractor,

had employed 25,000 persons on Long Island in 1986 but by 2004 Northrop-Grumman employed 2,400 persons on Long Island. (Northrop acquired Grumman in 1994.) In 2003 a \$1.9 billion contract was awarded to Northrop-Grumman to upgrade the Navy's E-2C Hawkeye plane. This is the largest military contract to come to Long Island since the Cold War ended in the early 1990s. This new contract has generated 900 new jobs, primarily electrical and software engineers.

Former Grumman facilities in Suffolk County have been converted to other uses. Grumman's 175,000 square foot building in Holtsville in Suffolk County was purchased by Symbol Technologies, an industry leader in bar code scanning technology. The building was renovated and expanded to 300,000 square feet and is now the company's headquarters. A former 260,000 square foot Grumman building in Melville was renovated in 1995 and is now a major office for Olympus. Grumman's 385,000 square foot facility in Great River is being reused as the Long Island Technology Center, a technology firm "incubator." Part of Grumman's 2,900 acre Calverton facility was sold and includes one million square feet of buildings currently reused by various light manufacturing businesses. The remainder of the property has yet to be sold by the Town of Riverhead but may be developed with light industrial uses, hotels, and a residential golf course complex.

The number of businesses located in Suffolk County continues to rise. Of all counties in the U. S., Suffolk County ranked 13<sup>th</sup> in the number of business establishments in 2001. There were more than 45,000 business establishments with payroll in 2002 in Suffolk, an all-time high and a 9% increase since 1998. The largest number of businesses are in the retail trade category; followed by construction and "professional, scientific & technical services." Sixty-two percent of Suffolk's businesses employ fewer than 5 persons, and 79% of businesses in Suffolk employ fewer than 10 persons. In addition, in 2002 Suffolk County had more than 100,000 "non-employer" firms, mostly self-employed individuals operating very small unincorporated businesses.

Suffolk County contains fifteen communities which each contained more than 10,000 jobs in 2000 according to the U. S. Census Bureau. Employment in these areas is high because of concentrations of office, industrial, or institutional development. The



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largest employment centers in Suffolk County are Melville, Hauppauge, and Farmingdale, which each contain more than 30,000 jobs. Melville alone has 54,000 jobs.

### **Office and Industrial Markets**

Suffolk County now contains more than 22 million square feet of private office buildings. The 9 million square feet of office space built during the 1980s was eventually absorbed as there was not much new office building construction in Suffolk in the early 1990s. But since 2000, more than 2.5 million square feet of new office space has come on the market. Some of this space has been created by the conversion of older industrial buildings to higher office uses. Several speculative office projects are now under construction and proposed in the County, the largest volume of speculative construction underway in over a decade. More than 2.4 million additional square feet of new office space has been proposed in Suffolk County.

The office market in Suffolk County is currently strong and stable. Leasing and sales activity has been increasing steadily since 2003, highlighted by eight consecutive quarters of positive net absorption through year-end 2004. The office vacancy rate in Suffolk for the fourth quarter of 2004 was 12.7%, up from 11.7% in 2003, predominantly due to new construction adding more than 500,000 square feet to the market. Available space is expected to increase in 2005 due to banking industry consolidations. Average office rental rates have remained fairly stable over the past year, \$21.21 in the fourth quarter of 2004, still slightly below the more than \$24 per square foot of 2001. Land costs for office development are sometimes as high as \$800,000 to \$1 million per acre.

Suffolk County's industrial market remains strong. According to Grubb & Ellis, at year-end 2004 there was 85 million square feet of industrial square footage in Suffolk County, nearly two-thirds of the industrial space on Long Island. The average asking rental rate in Suffolk County for industrial space was \$6.50 in the fourth quarter of 2004, among the highest in the nation but lower than Nassau County's rate of \$6.75. Rental rates are expected to increase further as available inventory gets absorbed.

The industrial vacancy rate has been dropping since 2002 and is expected to continue to

improve. According to Grubb & Ellis, Suffolk County's industrial vacancy rate was 5.4% at year-end 2004, among the lowest vacancy rates in the nation. In higher value areas such as Melville and Hauppauge, some industrial buildings have been converted to office buildings (and some industrial properties have been purchased for retail and mini-storage facilities), contributing to the improving industrial vacancy rate. There is also pressure for some industrially zoned land to be developed for housing. These new uses are pushing some warehousing, distribution and manufacturing companies further east in Suffolk County, where land is available for new industrial construction. The industrial market is seeing continued commitment from major companies in the form of lease renewals. In addition, land supply and available inventory remain tight. The County's industrial market is expected to continue to improve as the economy continues to improve, providing a business climate for companies to grow and require new space.

Increasing demand for space has spawned significant new industrial construction. Forest Laboratories, a drug company, expanded its Commack warehouse facility by 186,000 square feet in 2004 and plans to expand its other Suffolk County facilities. Industrial construction continues to take place in the Yaphank area. The 300 acre Heartland Business Center industrial park in Brentwood opened in 1990 and is already home to 3.5 million square feet of industrial space and 3,000 workers. An adjacent 87 acre parcel has recently been opened for development and could add 1.3 million square feet of space and 1,000 jobs to the industrial park. Alcan Packaging, a company that considered moving its operation off Long Island, plans to build a new 200,000 square foot building in Heartland Business Center. The area around Long Island MacArthur Airport also continues to receive new office and light industrial construction, adding more than one million square feet of industrial space in the past few years. A 127,000 square foot industrial building at Johnson Avenue in Bohemia was completed in late 2004.

There is a \$50 million proposal by Suffolk County to triple the sewage treatment capacity in the Hauppauge Industrial Park, the second largest industrial park in the country. This sewage system upgrade will allow more businesses to hook up to the new system, which would have environmental advantages and would reduce costs to businesses already connected to the existing system. The

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upgrade also would accommodate the trend toward converting warehouses to office space.

### **Hotels and Motels**

Suffolk County's extensive industrial, office, and tourist markets support a large number of hotels, motels, and bed & breakfast inns. Suffolk has 304 hotels and motels, which together contain 11,626 rooms, and 23% of those hotel/motel rooms are seasonal in nature. These seasonal lodging properties are open only during the warmer months and are located in eastern Suffolk County.

The lodging industry continues to show signs of softening in Suffolk County. Occupancy rates in western Suffolk's hotels and motels steadily rose between 1991 when occupancy was 57%, to 80% in 1999, but then began to decline as new hotels were constructed and the local economy softened. For 2003, occupancy levels in western Suffolk were 71%. Average daily hotel room rates increased by double digit percentages in Suffolk County in the late 1990s until 2000 but have since declined slightly.

After tremendous hotel construction in Suffolk County in the 1980s, several local hotels went into bankruptcy and some closed permanently. No major new hotels opened in Suffolk between 1991 and 1998. But as a result of higher occupancy and room rates in the late 1990s, 12 major new hotels have started construction in Suffolk County since 2000. An Extended Stay America hotel opened in 2000 in Melville and a Holiday Inn Express opened in Hauppauge in 2001. In 2002, three major hotels opened in Suffolk: a Hampton Inn in Medford, a Courtyard by Marriott in Lake Ronkonkoma (both near the L. I. E.) and a Marriott Residence Inn in Hauppauge. In 2003 a Hilton Garden Inn opened in Ronkonkoma and the Inn at East Wind opened in Wading River. Within the past year, three hotels opened in close proximity to the L. I. E.: a Wingate Inn in Brentwood, a Marriott Residence Inn in Holtsville and a Homewood Suites in Melville. The following hotels are currently under construction in Suffolk County: a Hilton Garden Inn in Melville, a La Quinta Inn in Bohemia and a Holiday Inn Express in Calverton.

Numerous large new hotels have been proposed to be built in Suffolk County but have not yet started construction. Since 2000, 15 additional new hotels have been proposed for Suffolk County,

each with more than 100 rooms and many with suites. In the past five years, more than 20 new small bed & breakfast inns have opened in eastern Suffolk County.

### **Retail Market**

Retailers are attracted to Suffolk County because of its relatively high income, high retail sales levels, and population density. According to *Sales and Marketing Management's* 2001 Survey of Buying Power, Nassau-Suffolk had \$42 billion in retail sales or \$46,368 in retail sales per household, which ranked third among the nation's 20 largest metropolitan areas and 35% above the national average. Suffolk's retail sales tax revenues increased by 13.4% in fiscal year 2003 over fiscal year 2002.

Suffolk's shopping centers total 37.0 million square feet. The County's downtown centers have 8 million square feet of retail space. After relatively high vacancy rates in shopping centers and business districts in the mid-1990s, most centers are experiencing fewer vacant stores in recent years. Vacancy rates in 2000 were 8.1% in downtown areas and 12.0% in shopping centers, still historically high but much improved since the last Suffolk County Planning Department analysis in 1996. Proposals exist for 5,000,000 square feet of new retail in stores or centers 100,000 square feet or larger in Suffolk County.

A retail building boom has taken place in Suffolk County since 1990. Nearly one-third (31%) of the shopping center space was built since 1990. More than eight million square feet of retail space was added in the 1990s, and since 2000 another three million square feet has been added. More than 25 "big box" stores over 100,000 square feet have been constructed in Suffolk since 1993.

In 1999 the discount department store chain Target entered the Suffolk County market and has opened seven new stores in Suffolk County and is building a store in Medford. An additional store is proposed for Holbrook. In the past four years, B J's wholesale club built new stores in South Setauket and East Farmingdale and now has four Suffolk locations. Costco hopes to open a fifth Suffolk County store in Riverhead. Home Depot continues to open new stores in the county and now has 13 stores in Suffolk, with three additional stores proposed. Meanwhile, Lowe's (a Home Depot competitor) opened a new store in Medford in 2002 and at least two more stores are

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proposed (Rocky Point and West Bay Shore). Kohl's department store chain entered the Suffolk County market in 1999 and has opened seven stores, most of which were previously occupied by Caldor. Best Buy, a national retailer of home electronics and appliances, opened its first Suffolk County stores in 2000 and now has six stores in Suffolk County. Wal-Mart entered the Suffolk County market in the late 1990s and now has five stores in the county, with plans to build new stores in East Farmingdale, Commack and Riverhead. Stew Leonard's, a large fresh food supermarket, has plans to build a new 122,000 square foot store by Republic Airport in East Farmingdale.

Suffolk County's three regional malls underwent significant expansions in the late 1990s. In Bay Shore, the South Shore Mall in 1997 was renovated and expanded by 400,000 square feet, adding a Lord and Taylor department store. In 1999, the Walt Whitman Mall in South Huntington completed a major renovation and expansion. Two new department stores were added to the mall, Bloomingdale's and Saks Fifth Avenue. A proposed 850,000 square foot shopping center in Yaphank in east central Suffolk County has yet to begin construction. The Tanger Outlet Center in Riverhead expanded in 1997 to become the nation's fifth largest manufacturer's outlet center at 777,000 square feet. Tanger has proposed building another outlet center (790,000 square feet) in Deer Park.

Downtown revitalization continues in Suffolk County. Plans call for a new 28,000 square foot building on Main Street in downtown Riverhead to house Suffolk County Community College's culinary arts school. The school is expected to open in 2006. In addition, the Riverhead Business Improvement District and the Port Jefferson Business Improvement District each recently received \$200,000 grants from New York State's Main Street Program for facade improvements or renovations.

### **Tourism and Recreation**

Tourism is an important part of Suffolk County's economy, especially in the more rural eastern portion of the County. Its 986 miles of shoreline and over 70,000 acres of parkland make Suffolk County a very attractive place to live or visit. Suffolk County has 38,000 seasonal homes, more seasonal homes than all but six counties in the country.

Golf courses abound on Long Island. There are 135 public and private courses on Long Island, with more than half (81) located in Suffolk County and several more are proposed. Since 1992, 13 new public golf courses have opened in Suffolk. The U. S. Open golf tournament took place at Bethpage State Park in 2002 and at Shinnecock Hills Golf Club in 2004.

In 1999, a retail/entertainment center opened at the site of the former Fairchild Republic manufacturing site in East Farmingdale on the Nassau-Suffolk border. This complex includes the Farmingdale 14 screen multiplex theater, the 400,000 square foot Airport Plaza shopping center including Home Depot, Border's Books and other retailers, and Jillian's, a 60,000 square foot indoor recreation and entertainment complex. A new multiplex theater recently opened at exit 62 of the L.I.E. in Holtsville. New multiplex theaters have been proposed for Elwood, Riverhead, West Babylon and Deer Park.

A \$16 million 6,000-seat baseball stadium opened in 2000 near the New York Institute of Technology and the new federal and county court complexes in Central Islip. The Long Island Ducks baseball team, part of an independent league, plays at the stadium. Suffolk County entered into contract with a private contractor who operates and manages the County-owned facility. In 2002 SUNY Stony Brook completed its new \$25 million stadium, the largest outdoor sports arena in Suffolk County, an 8,254 seat venue that will be used for concerts and other events. Dowling College broke ground in mid-2004 on a new \$20 million 87,000 square foot student activity center at its Shirley campus, including a gymnasium, a fitness center, dining hall, offices and classrooms.

In 2000 a new \$20 million 42,000 square foot aquarium opened in Suffolk County, the Atlantis Marine World aquarium in downtown Riverhead. The aquarium attracted 500,000 visitors in 2001. A large expansion of the aquarium is planned, including a hotel and conference center. Another aquarium, the \$62 million 85,000 square foot Long Island Aquarium and IMAX theater, has been proposed for Brentwood as part of the redevelopment of the Pilgrim Psychiatric Hospital property.

A 200,000 square foot astronomy museum known as Museum of the Universe has been proposed for Long Island but has not yet found a site. The museum would include a 3D IMAX theater, a

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planetarium, and a separate children's museum on astronomy.

### **Farming**

In 2002, the annual market value of crops produced in Suffolk County was \$201 million. Suffolk County continues to lead all New York State counties in the wholesale value of all agricultural products sold. Suffolk is first in New York State in the production value of potatoes, cauliflower, broccoli, and nursery and greenhouse products. Suffolk now accounts for 43% of all the market value of nursery and greenhouse products produced in New York State. Once famous for oysters, potatoes, and ducks, Suffolk County is now well-known for its quality wines. The harvesting of grapes for wine production is a relatively new agricultural industry that emerged in Suffolk County around 20 years ago.

Farming and tourism in Suffolk County are interrelated. Farmland provides an open and rural character that offers a change from the congested areas in and around New York City. Eastern Suffolk's numerous farm stands offer fresh local produce to local residents and visitors. Several downtown areas in western Suffolk have green market programs where local produce is sold.

In 2002, Suffolk County's farmland totaled 32,500 acres, the vast majority of it in eastern Suffolk. However, farmland acreage is decreasing by about 1,400 acres per year. Suffolk County's "purchase of development rights" program to protect farmland began in 1974 and was the first such program in the United States. To date, the program has preserved 7,600 acres of farmland.

### **Other Major Development Activity**

The area which formerly contained the Central Islip Psychiatric Center continues to undergo major redevelopment. Suffolk's \$128 million, 500,000 square foot Cohalan County Court Complex was completed in 1996 and the \$212 million, 822,000 square foot federal courthouse opened in 2000. The federal complex is one of the largest federal courthouses in the country. Next to the courthouses, Touro Law School is currently building a new \$33 million 200,000 square foot law school, and a \$16 million ballpark where the Long Island Ducks play opened in 2000. Courthouse Corporate Center, a 175,000 square foot office building opened in 2000 in

a building once used by the Psychiatric Center, a large shopping center with a supermarket opened across Carleton Avenue in 2001, and a 153-unit senior apartment complex opened in 2003. Future development proposed for the site includes restaurants, a Hampton Inn hotel, and more than 700 multi-family units for seniors and non-seniors, including 250 affordable units.

In 2002, a 460 acre portion of the Pilgrim State Psychiatric Center in Brentwood were sold by New York State to a developer and a \$4 billion mixed-use community has been proposed for the site, containing 1,000,000 square feet of upscale lifestyle retail, 9,000 units of mid-rise rental housing, 3 million square feet of offices, a hotel, a cultural center and the Long Island Aquarium. The development would be built on a pedestrian-friendly grid street system and would contain public and semi-private recreation and open space. The first phase will take five years to complete. An environmental impact statement is nearing completion.

The 408 acre Long Island Developmental Center in Melville, another state surplus property, was sold in 1998. Development of the site was completed in 2004 with 1,375 mostly senior housing units and an 18 hole golf course. New York State is also offering 370 acres of the now closed Kings Park Psychiatric Center for sale for development. Two separate developers had been interested in creating mixed-use projects at the site but then decided not to pursue the project.

Quality King, a distributor of pharmaceutical, health and beauty products, announced in May 2004 that it is planning a major expansion to support its growing operations. The privately held company, which employs 1,400, plans to build a 560,000 square foot flagship warehouse building on 37 acres in Yaphank within the New York State Empire Development Zone there. The proposed building would be one of the largest of its kind on Long Island built in many years.

### **TRANSPORTATION**

Traffic congestion is a problem in Suffolk County that has increasingly worsened during the last 25 years. While the population in Suffolk has increased only modestly in recent decades, the number of registered vehicles has increased faster, to

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1.2 million, and the number of licensed drivers increased to 1.1 million in 2004. Meanwhile, for about 20 years after construction of the Long Island Expressway was completed in 1972, New York State did very little to increase traffic capacity on Long Island. In 1992, construction began on a high occupancy vehicle (HOV) lane for the Long Island Expressway to help manage congestion. The \$880 million lane, now nearly completed, runs for 40 miles from the Nassau/Queens border to exit 64 in Medford.

Because of the increase in local job opportunities in recent decades, 73% of Suffolk's workers now work in Suffolk County and 87% work in Nassau-Suffolk. Most Suffolk County work trips are fairly local, lasting a median of 32 minutes. But because the population and the major employment centers in Suffolk are dispersed, it is difficult to effectively serve the population with mass transit. During the 1980s, the number of Suffolk workers who drove alone to work increased by 43% while the number of people who car pooled declined by 35%. In the 1990s the number who drove alone increased further by 3% and the number who car pooled declined further by 3%. Use of public transit to travel

to work increased by 18% in the 1980s (mostly due to Suffolk's new bus system) and by 2% in the 1990s.

The Long Island Railroad put new dual-powered locomotives and new train cars into service in 1998. These trains can travel directly to Manhattan without forcing riders on the Port Jefferson and Montauk branches to change trains en route to Manhattan.

In 1999, Suffolk County's Long Island MacArthur Airport finished a \$13 million improvement project. Improvements included a new baggage claim area, new ticketing counters and 1,000 new parking spaces. In 1999, Southwest Airlines began service at MacArthur Airport, which has caused a significant increase in passenger traffic. Passenger traffic doubled between 1998 and 1999 at MacArthur and was 1.92 million in 2003, twice the level of five years ago. In August 2004, Southwest airlines completed a \$55 million terminal expansion at the airport, including a new 154,000 square foot concourse and four new flight gates. The airport's five carriers now have about 100 flights daily.

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